



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**FILED**

06-20-07

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In the Matter of Application of  
CALIFORNIA-AMERICAN WATER SERVICE  
COMPANY (U 210 W) for an order authorizing  
it to increase its rates for water service in its Los  
Angeles District to increase revenues by  
\$2,020,466 or 10.88% in the year 2007; \$634,659  
or 3.08% in the year 2008; and \$666,422 or  
3.14% in the year 2009.

A.06-01-005  
(Filed January 9, 2006)

**NOTICE OF EX PARTE COMMUNICATION  
OF THE DIVISION OF RATEPAYER ADVOCATES**

The Division of Ratepayer Advocates (DRA) submits this Notice in accordance with Rule 8.2(c)(2) of the CPUC's Rules of Practice and Procedure.

On June 15, 2007, at DRA's request, DRA met with Commissioner John Bohn and Steve St. Marie, Advisor to Commissioner Bohn, at 11:00 a.m. in the Commission's San Francisco offices. The meeting lasted approximately one hour. Representing DRA were Cynthia Walker (Deputy Director), Danilo Sanchez (Program Manager), Diana Brooks (Program and Project Supervisor), Patrick Hoglund (Senior Utilities Engineer), Joyce Steingass (Utilities Engineer), Tatiana Olea (PURA V), and Natalie Wales (Staff Attorney). Also present were the following individuals: Kent Turner and David Stephenson of California-American Water (Cal-Am), and Lori Dolqueist of Steefel, Levitt & Weiss, counsel for California-American Water.

DRA's communication was both oral and written. DRA provided a one-page document (see attached). DRA raised concerns about the Conservation Loss Adjustment Mechanism (CLAM) described in the revised Proposed Decision (PD) of ALJ Walwyn, stating that developing a CLAM for Cal-Am's Los Angeles District is not feasible at this

time, and that the revised PD should not conclude, in the absence of further analysis and evidence, that a CLAM does not merit an adjustment to return on equity (ROE). DRA stated that it continues to support the Water Revenue Adjustment Mechanism (WRAM) negotiated with Cal-Am in Phase II of this proceeding. Furthermore, DRA stated that it would support immediate implementation of the negotiated conservation rates and WRAM, with rates subject to true-up pending consideration of the ROE adjustment issue in another proceeding such as I.07-01-022, the OII on water conservation.

Copies of this Notice can be obtained by calling or sending e-mail to Sue Muniz at (415) 703-1858 (e-mail - sam@cpuc.ca.gov).

Respectfully submitted,

/s/ NATALIE D. WALES

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Natalie D. Wales  
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June 22, 2007

**DRA recommendation on Proposed Decision of ALJ Walwyn**  
**(Mailed 5/7/2007)**

Add at the end of Section C, at top of page 46:

“If the methodology to track and verify changes in water sales due to conservation rates and measures is not sufficiently developed yet, making a CLAM infeasible at this time, Cal-Am and DRA could also propose a Monterey-style WRAM (as described in footnote 61) in lieu of the CLAM, and no ROE adjustment would be required either.”

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of “**NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES**” in **A.06-01-005** by using the following service:

[ X ] **E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[ X ] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses, if any.

Executed on **June 22, 2007** at San Francisco, California.

/s/ <b>ALBERT HILL</b>
Albert Hill

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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